

OVERVIEW

Hurricanes Katrina and Rita created the biggest natural disaster in America's history.

- 780,000 Louisiana residents **displaced**



- 123,000 homes suffered major or severe damage
- 82,000 rental properties suffered major or severe damage

- More than 18,000 businesses destroyed
- About \$25 billion in insured losses
- 25 times more debris removed so far than was removed from the World Trade Center site



Compared to other Gulf Coast states:



- Louisiana had more than twice the major and severe damage to homes as Alabama, Mississippi, Florida and Texas combined
- Louisiana suffered 75% of the Gulf Coast **housing damage**

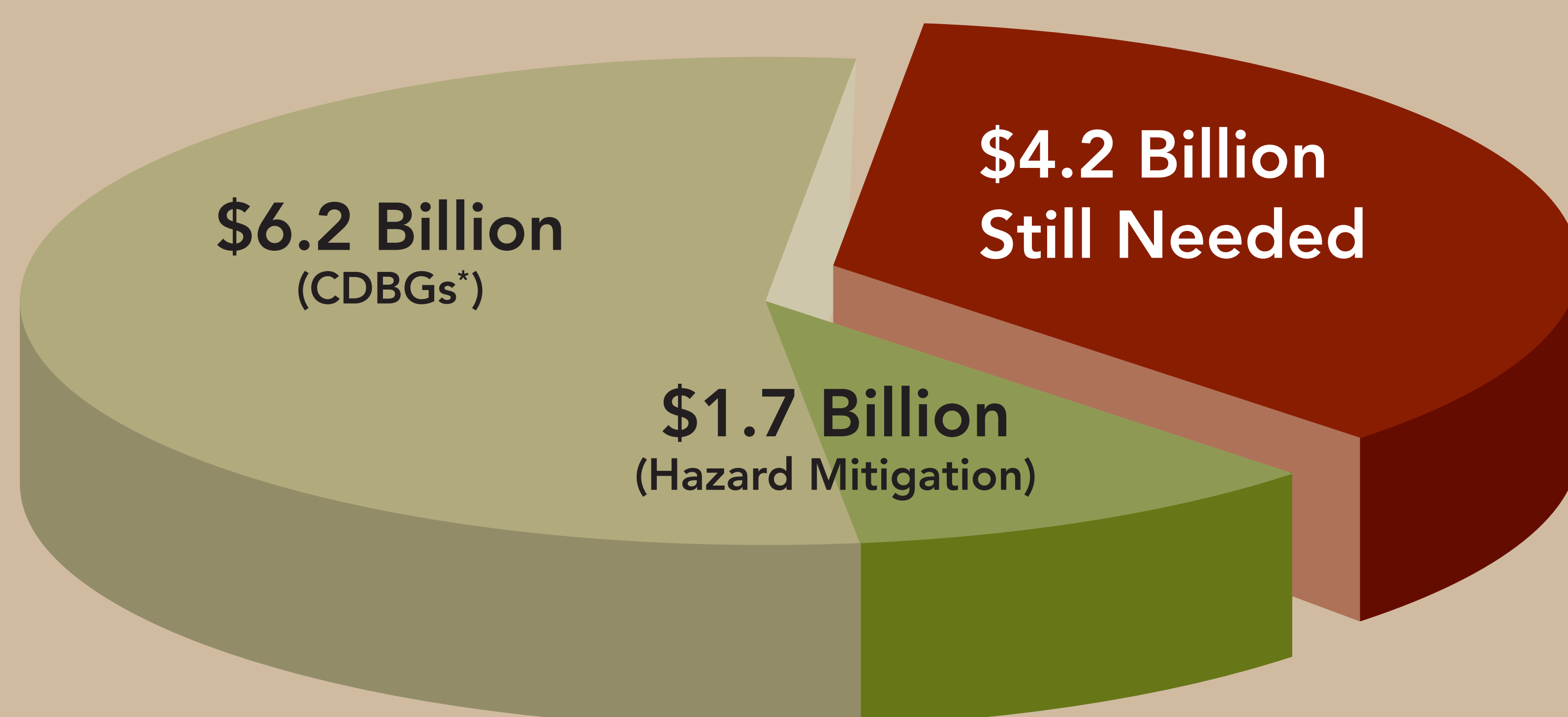


OVERVIEW

The Road Home

- Provides **opportunities** for homeowners to get back into their homes and help **re-establish** their lives in Louisiana
- Creates powerful incentives to rebuild rental properties so that everyone can have a chance to come home
- **Developed by** Gov. Kathleen Babineaux Blanco, the Louisiana Recovery Authority, Office of Community Development and national housing **experts**
- **The Road Home** is not yet fully funded – in order to fully-fund Louisiana's program, Congress must deliver the promised **\$4.2 billion in additional funding** included in the President's Supplemental appropriations request
- Louisiana's citizens deserve the same assistance as our Mississippi neighbors — any amount of Federal funding less than the \$4.2 billion requested by President Bush is insufficient to run our program with maximum assistance of \$150,000

Working to Meet Louisiana's Recovery Needs



Total cost to rebuild homes, rental properties, and other critical infrastructure such as hospitals, schools, and sewage and water systems = \$12.1 billion

* CDBGs - Community Development Block Grants



OVERVIEW

Improving the Plan

Since **The Road Home** was introduced in February, more than 1,000 homeowners, community advocates, members of the Legislature and elected officials provided feedback and comments on the proposed plan. **The Road Home** has been updated in response to many of these concerns:



In order to hit the ground running before all of the Federal funding becomes available, **The Road Home** has adopted a phased approach. Under the partially-funded program, homeowners will be eligible for 50% of the amount they will eventually qualify for under the fully-funded program.

- *For example, a homeowner who qualifies for the full \$150,000 will be eligible for \$75,000 in the first installment. Or, a homeowner who qualifies for \$84,000 will be eligible for \$42,000 in the first installment.*



There are no limitations on eligibility based on income, race or geography. There will be no means test to narrow the pool of eligible applicants for the partially-funded plan.



Governor Blanco, the Louisiana Recovery Authority and the Louisiana Legislature have agreed that if Congress fails to approve the promised funding required to run **The Road Home** program, Louisiana will be forced back to the drawing board to devise the fairest possible solution under conditions that would be anything but fair.



LISTEN & LEARN

Homeowner Assistance

Under the current Road Home plan, homeowners may choose from the following four options:

1

Repair

To repair your existing home, the state will pay you for uninsured damages up to your home's pre-storm value. You may also be eligible for a mitigation grant and/or an affordable loan.

2

Rebuild

If you choose to rebuild on your property, the state will pay you for uninsured damages up to your home's pre-storm value. You may also be eligible for a mitigation grant and/ or an affordable loan.

3

Relocate

If you want to sell your home and move elsewhere in Louisiana, the state will pay you for uninsured damages up to your home's pre-storm value. You may also be eligible for a mitigation grant and/ or an affordable loan.

4

Sell




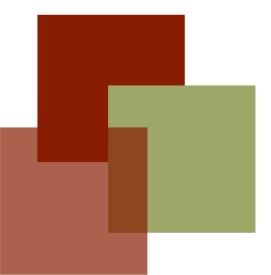
If you wish to move somewhere outside of Louisiana, the state will buy your home for 60 percent of its pre-storm value minus insurance and FEMA repair payments or the estimated cost of uninsured damages, whichever is less.



LISTEN & LEARN

Getting You Home in a Fair and Timely Way

Like the choices themselves, eligibility requirements are simple and straightforward. To qualify for *The Road Home*:

-  You must have owned and occupied the home as your main residence at the time of the hurricane
-  Your home must be a single or double unit structure (this includes duplexes where the owner resides in one of the units)
-  Your home must be categorized by FEMA as having been “destroyed” or having suffered “major” or “severe” damage
-  Homeowners who were uninsured but should have carried insurance (for example, those who lived in a flood plain, but did not have flood insurance) are eligible for the program, but they will incur a 30% penalty

Recognizing that FEMA has not been uniform in its assessment of damage in all cases, nor have they been uniform in notification of homeowners, *The Road Home* allows homeowners to appeal their eligibility based on an alternative damage estimate.

The Road Home is not a “one-size-fits-all” program. Additional policies and procedures will be established to accommodate homeowners with special circumstances.

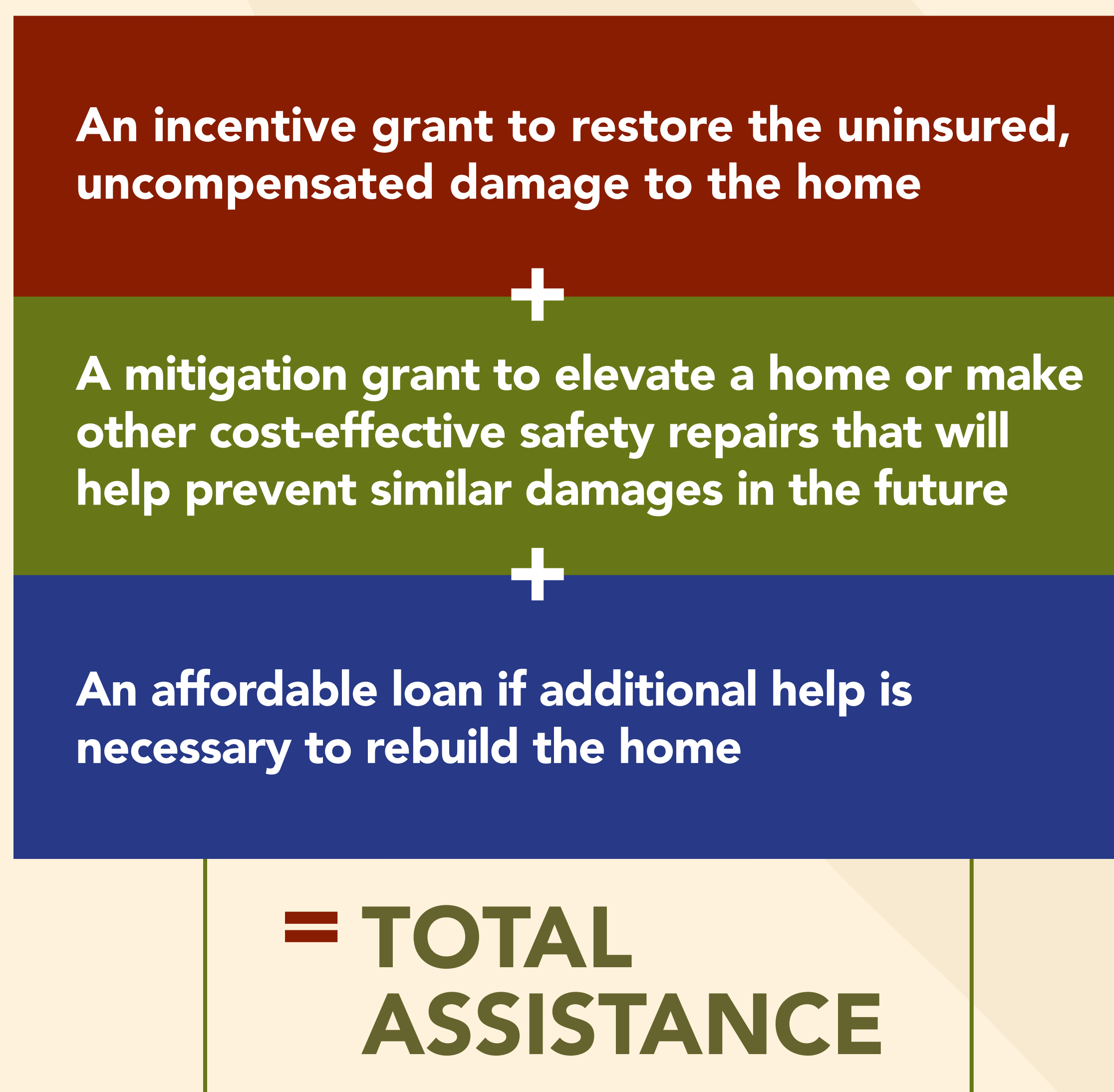


LISTEN & LEARN

Calculating Assistance

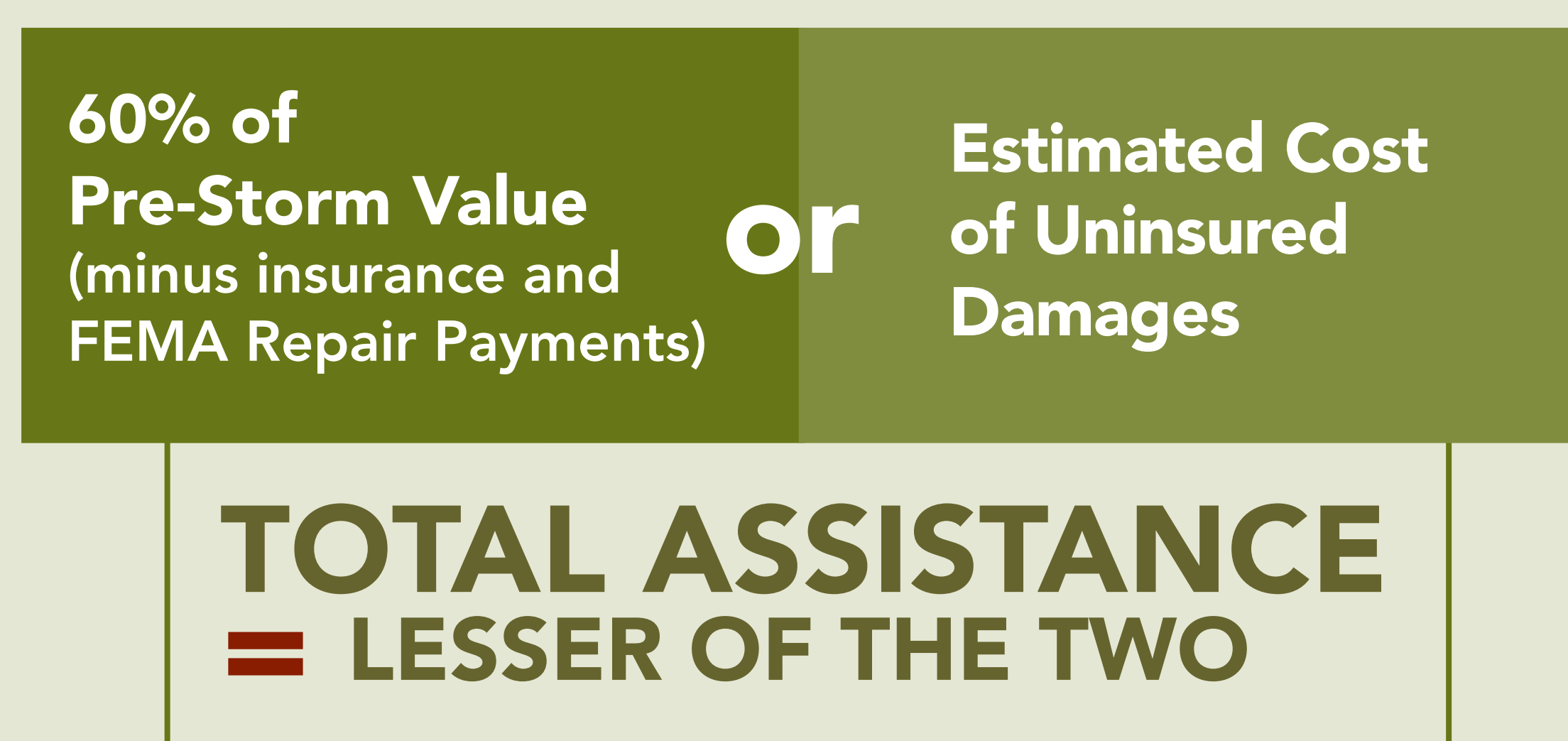
REPAIR, REBUILD or RELOCATE

Assistance for homeowners who want to stay in Louisiana is offered in three tiers:



SELL

Assistance for homeowners who want to sell their property and leave Louisiana is:



- ALL grants will be based on the pre-storm value of the house and the amount of damage incurred.
- **The Road Home** only covers UNINSURED damages. Federal law requires that homeowner assistance may not duplicate any benefits, derived from any source, that are received by homeowners as a result of damages incurred during hurricanes Katrina and Rita.
- Homeowners whose damages were 100% covered by insurance and/or FEMA repair payments ARE STILL ELIGIBLE to receive a mitigation grant. They may also be eligible to receive an affordable loan.
- Total assistance to ALL homeowners is capped at \$150,000.
- Methods for determining pre-storm value and percentage of loss to the home will balance efficiency, fairness and equity. Homeowners will have the right to appeal on the basis of an acceptable alternative valuation.



HOW IT WORKS

Repair or Rebuild

HOMEOWNER SUMMARY

Pre-storm Value: \$153,000
Loss to Home: 100%
Insurance: \$50,000
FEMA Assistance: \$10,500
Cost to elevate home to meet FEMA standards: \$30,000

An older couple owns a home with a pre-storm value of \$153,000. They bought their home for \$50,000 in 1970 and have not increased their insurance coverage. Their home was devastated by the hurricane. After receiving an insurance award of \$50,000 and a FEMA assistance grant of \$10,500, they still have \$92,500 in uninsured damages. If they choose to repair or rebuild their home, they will also have to elevate their home to meet FEMA standards. How will they benefit from *The Road Home* housing plan?

Assistance from The Road Home:

Incentive Grant = \$153,000 - \$50,000 - \$10,500 = \$92,500
Mitigation Grant = \$30,000

Note: In this case, the mitigation grant is based on the cost to elevate the home to meet FEMA standards. The couple may also be eligible for an affordable loan to cover the gap if there is a difference between repair costs and the grant they receive. Total Road Home assistance, including incentive grant, mitigation grant and affordable loan, cannot exceed \$150,000.

Summary of Costs/Losses		Summary of Benefits	
Cost of Damage to Home	\$153,000	Insurance	\$50,000
+ Additional Mitigation Costs	\$30,000	+ FEMA Repair Payment	\$10,500
		+ Road Home:	
		Incentive Grant	\$92,500
		Mitigation Grant	\$30,000
Total	\$183,000	Total	\$183,000



HOW IT WORKS

Relocate/Buyout

HOMEOWNER SUMMARY

Pre-storm Value: \$153,000
Loss to Home: 100%
Insurance: \$50,000
FEMA Assistance: \$10,500

How will the older couple benefit from *The Road Home* housing plan under the relocate option? If they want to sell their home and move somewhere else in Louisiana, the state will pay them up to the amount of their uninsured damages, based on the pre-storm value of their home.

Assistance from The Road Home:

Incentive Grant = \$153,000 - \$50,000 - \$10,500 = \$92,500

Note: If necessary, a mitigation grant will be available to mitigate their new home. The couple may also be eligible for an affordable loan to cover the gap if there is a difference between the cost of an equivalent new home and the grants they receive. Total Road Home assistance, including incentive grant, mitigation grant and affordable loan, cannot exceed \$150,000.

Summary of Costs/Losses		Summary of Benefits	
Cost of Damage to Home	\$153,000	Insurance	\$50,000
		+ FEMA Repair Payment	\$10,500
		+ Road Home: Incentive Grant	\$92,500
Total	\$153,000	Total	\$153,000



HOW IT WORKS

Sell

HOMEOWNER SUMMARY

Pre-storm Value: \$153,000
Loss to Home: 100%
Insurance: \$50,000
FEMA Assistance: \$10,500

If the couple wants to sell their home and move somewhere outside of Louisiana, the state will buy their home for 60 percent of its pre-storm value (minus insurance and FEMA repair payments) or the estimated cost of the uninsured damages, whichever is less. What will they get if they choose to sell?

Assistance from The Road Home:

Pre-storm value: $\$153,000 \times 60\% = \$91,800 - \$50,000 - \$10,500 = \$31,300$

OR

Cost of uninsured damages: $\$153,000 - \$50,000 - \$10,500 = \$92,500$

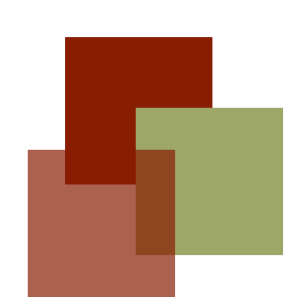
**Assistance for homeowners who want to sell their property and leave Louisiana is 60% of pre-storm value, minus insurance and FEMA repair payments or the estimated cost of uninsured damages, whichever is less. Total Road Home assistance cannot exceed \$150,000. In this case, the lesser of the two is \$31,300.*

Summary of Costs/Losses		Summary of Benefits	
Cost of Damage to Home	\$153,000	Insurance	\$50,000
		+ FEMA Repair Payment	\$10,500
		+ Road Home: Sell Payment	\$31,300
Total	\$153,000	Total	\$91,800

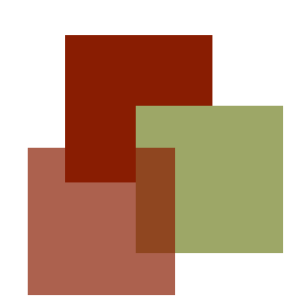
In this case, if the couple chooses the sell option, they will have \$91,800 to cover any liens on their existing home and get into a new home. The LRA acknowledges that the sell option is generally the least favorable; however, the goal of *The Road Home* program is to encourage our citizens to revitalize our communities here in Louisiana. The seller could use the assignability option and use the repair/rebuild program to return the property to its original condition and then sell the property on the open market to a new resident homeowner that will agree to the covenants of the program.

Affordable Rental Housing

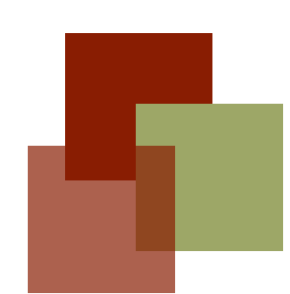
The Road Home also offers a program to restore Louisiana's damaged rental property. This plan offers incentives to large developers and small property owners that encourage them to invest in rebuilding affordable rental properties, so that everyone can have a chance to come home.



For Large Developers: *The Road Home* will add Community Development Block Grant (CDBG) dollars as a "piggyback" benefit to Federal tax credits to encourage more affordable rents and mixed-income communities.



For Small Rental Properties: *The Road Home* provides CDBG dollars as an incentive for landlords to rebuild small rental properties (single-family homes, duplexes, etc.) that are offered at affordable rents.



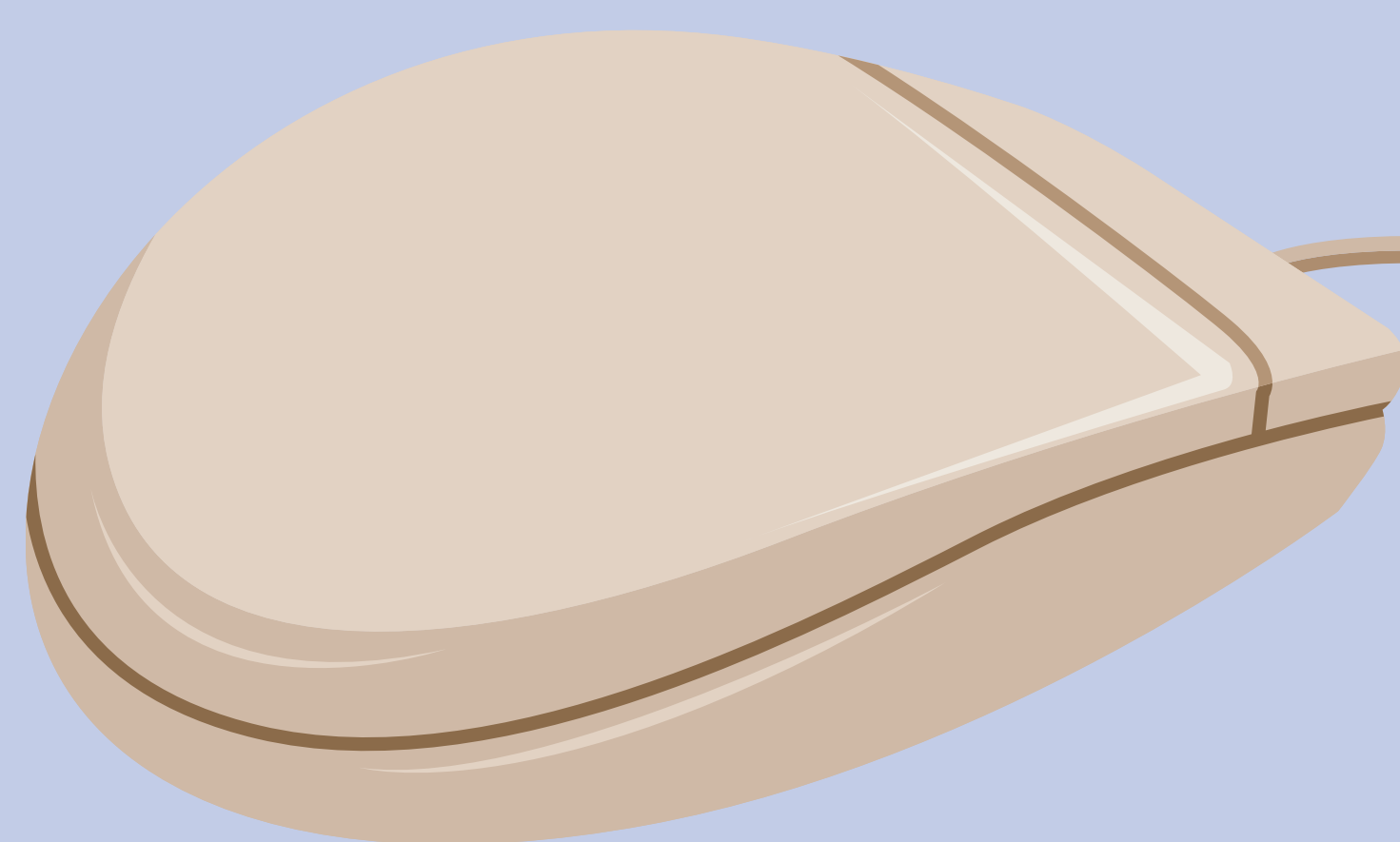
Supportive Services: *The Road Home* recognizes that working families, elderly citizens, and others with special needs have suffered greatly during long periods of displacement. They will require unique services to help them recover. The program includes funds for supportive services to address these special conditions.

How Can I Find Affordable Rental Housing?

A call center/information registry will be set up to help connect renters with affordable rental units as they are built or made available.

When the registry is available, eligible renters will be able to register their information by phone or on the Internet at www.LouisianaRebuilds.info. As units are available, renters will be notified that properties are available and will have the opportunity to apply for assistance.

**LOG ON
TO LEARN
MORE**



Other Assistance and Incentives

In addition to providing assistance and incentives for homeowners and renters, *The Road Home* also aims to restore Louisiana's housing stock through:

Restoration of Homeless Housing Shelter Capacity

- Address the increased homeless needs in impacted areas by increasing beds, facility capacity and providing prevention assistance to those persons who are at risk of becoming homeless

Other Developer Incentives

- A Housing Development Loan Fund and Land Assembly Operations will accelerate development of new housing on available land
- Incentives will be provided to other agencies, non-profits and faith-based organizations to attract new mixed-income housing development to Louisiana



Agencies
&
Local
Governments

Non-Profits

Faith-Based
Organizations



REGISTER

**Are you registered for
*The Road Home?***



www.LouisianaRebuilds.info

1-888-ROAD-2LA

Special needs TTY Line at 1-800-566-4224

BUILDING A SAFER, STRONGER, SMARTER LOUISIANA